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COMMISSION

August 3, 2004

Beth O'Donnell, Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Re: Case No. 99-225, Citipower L.L.C. Quarterly Financial Statements

Dear Ms. O'Donnell:

Please accept the enclosed Citipower, L.L.C. Quarterly Financial Statements (comparative balance sheets and detailed income statements) for the First and Second Quarters of 2004. These Quarterly Financial Statements are being provided per the Staff Recommendations included in the Staff Report on Citipower, LLC, Case No. 99-225. Copies of these Quarterly Financial Statements were also faxed to the Public Service Commission at 502-564-3460 to the attention of M. Christina Whelan on August 3, 2004.

Sincerely,

David J. Hutchinson

Citipower, LLC  
2122 Enterprise Road  
Greensboro, NC 27408

Voice 336-379-0800  
Fax 336-379-0881

**Citipower, L. L. C.**  
**Profit & Loss**  
January through March 2004

	Jan - Mar 04
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
400 · Operating Revenues	
480 · Sales of Gas	
480.1 · Residential Sales	139,568.41
481.1 · Commercial Sales	58,795.00
481.2 · Industrial Sales	29,698.21
482.1 · Public Sales	286,930.25
<b>Total 480 · Sales of Gas</b>	<b>514,991.87</b>
<b>Total 400 · Operating Revenues</b>	<b>514,991.87</b>
414 · Other Operating Income	
488.2 · Late Charges Collected	2,791.51
488.3 · Hook up fees collected	641.75
489.2 · Other Gas Rev. -Transportation	8,126.88
<b>Total 414 · Other Operating Income</b>	<b>11,560.14</b>
<b>Total Income</b>	<b>526,552.01</b>
<b>Gross Profit</b>	<b>526,552.01</b>
<b>Expense</b>	
401 · Operation Expense	
80X · Gas Supply Expense	
801 · Natural Gas Field Purchases	215,809.87
<b>Total 80X · Gas Supply Expense</b>	<b>215,809.87</b>
85X · Transmission Expenses	
855 · Trans. Compressor Fuel & Power	
855.3 · Compressor Electricity	16.05
855 · Trans. Compressor Fuel & Power - Other	32.10
<b>Total 855 · Trans. Compressor Fuel &amp; Power</b>	<b>48.15</b>
860 · Trans. Compressor Rent	9,309.00
864 · Trans. Compressor Maintenance	945.52
<b>Total 85X · Transmission Expenses</b>	<b>10,302.67</b>
87X · Distribution Expenses	
874 · Maintenance of Mains	757.70
875 · Measuring & Reg. Station Exp.	
875.5 · Electricity - Prison Meter	21.93
<b>Total 875 · Measuring &amp; Reg. Station Exp.</b>	<b>21.93</b>
878 · Meter & House Regulator Expense	
878.5 · Equipment Rental	250.00
878.8 · Materials & Supplies	1,795.86
<b>Total 878 · Meter &amp; House Regulator Expense</b>	<b>2,045.86</b>
881 · Rents - Distribution Expenses	
881.1 · Rent - Schenck Compressor	3,600.00
881.4 · Rent - Shop & Storage	1,706.70
881.5 · Easements	(2,225.00)
<b>Total 881 · Rents - Distribution Expenses</b>	<b>3,081.70</b>
<b>Total 87X · Distribution Expenses</b>	<b>5,907.19</b>

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Accrual Basis

**Citipower, L. L. C.**  
**Profit & Loss**  
January through March 2004

	Jan - Mar 04
90X · Customer Accounts Expenses	
903 · Cust. Records & Collection Cost	
903.5 · Postage - Customer Billing	703.58
Total 903 · Cust. Records & Collection Cost	703.58
904 · Uncollectible Accounts	2,025.00
Total 90X · Customer Accounts Expenses	2,728.58
92X · Admin. and General Expenses	
920 · Admin & General Salaries (920)	
920.2 · Mgt. Consulting Expense	11,709.83
920.4 · Management fees	15,000.00
Total 920 · Admin & General Salaries (920)	26,709.83
921 · Office Supplies/Expense	
921.10 · Postage/FedEx (G&A)	147.44
921.11 · Meals/Entertainment	437.00
921.2 · Bank Svce Chgs (G&A)	48.53
921.29 · Uniforms	799.45
921.3 · Dues and Subscriptions	1,175.00
921.4 · Office Cleaning	75.00
921.5 · Telephone	2,389.07
921.6 · Computer Expense	2,500.00
921.7 · Utilities (G&A)	2,214.85
921.8 · Office Supplies & Expenses	1,134.50
Total 921 · Office Supplies/Expense	10,920.84
923 · Outside Services	
923.1 · Engineering Services	1,970.00
923.2 · Accounting Fees	287.91
923.3 · Contract Labor - Office	644.00
923.5 · Other-Labor	1,000.00
923.6 · Legal & Professional Fees	105.00
Total 923 · Outside Services	4,006.91
925 · Injuries & Damages	
925.5 · Employee Drug Testing Service	250.00
Total 925 · Injuries & Damages	250.00
926 · Employee Pension/Benefit (926)	
926.1 · Insurance - Life	364.55
926.4 · Insurance - Medical	1,772.25
926.7 · Insurance - Workmans' Comp	817.33
926.9 · Flower Fund	145.91
Total 926 · Employee Pension/Benefit (926)	3,100.04
930.1 · General Advertising Expenses	261.40
931 · Rents (SG&A)	
931.1 · Rent - copier	473.07
Total 931 · Rents (SG&A)	473.07

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Accrual Basis

**Citipower, L. L. C.**  
**Profit & Loss**  
January through March 2004

	Jan - Mar 04
932 · Maintenance of General Plant	
932.2 · Repairs & Maintenance - Office	150.00
932.5 · Computer Repair & Maint	400.00
Total 932 · Maintenance of General Plant	550.00
Total 92X · Admin. and General Expenses	46,272.09
Total 401 · Operation Expense	281,020.40
403 · Depreciation Expense	55,500.00
408.1 · Taxes Other Than Income Taxes	
408.1.1 · Payroll Taxes	2,710.66
408.1.4 · Property Taxes	22,781.11
408.1.8 · Other Taxes & Fees	200.00
Total 408.1 · Taxes Other Than Income Taxes	25,691.77
600 · Clearing Accounts	
656 · Payroll Clearing Accounts	
656.1 · Payroll Expenses	24,982.89
656.3 · Training & Education	1,062.59
Total 656 · Payroll Clearing Accounts	26,045.48
667 · Transportation Expenses	
667.1 · Vehicle Expenses	610.35
667.4 · Vehicle Repair & Maint.	1,382.96
667.5 · Vehicle Insurance/Title/Fees	1,347.62
Total 667 · Transportation Expenses	3,340.93
Total 600 · Clearing Accounts	29,386.41
Total Expense	391,598.58
Net Ordinary Income	134,953.43
Other Income/Expense	
Other Expense	
431 · Other Interest Expense	
431.1 · Interest - LOC	70.00
431.2 · Interest expense - customer dep	136.97
431.4 · Interest-Note Payable	11,890.87
Total 431 · Other Interest Expense	12,097.84
Total Other Expense	12,097.84
Net Other Income	(12,097.84)
Net Income	122,855.59

**Citipower, L. L. C.**  
**Balance Sheet**  
**As of March 31, 2004**

	Mar 31, 04	Dec 31, 03
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
131 · Cash		
131.1 · McCreary - Operating A/C	67,730.71	83,914.02
131.2 · McCreary - Business A/C	2,589.07	2,643.24
131.5 · Centura A/C 0411790887	125,402.79	34,097.39
131.9 · Petty Cash	500.00	568.00
<b>Total 131 · Cash</b>	<b>196,222.57</b>	<b>121,222.65</b>
<b>Total Checking/Savings</b>	<b>196,222.57</b>	<b>121,222.65</b>
<b>Accounts Receivable</b>		
142 · Customer Accounts Receivable		
142.1 · A/R - Residential/Commercial	171,523.69	248,110.49
142.2 · A/R - Payment Plan	983.53	1,516.97
<b>Total 142 · Customer Accounts Receivable</b>	<b>172,507.22</b>	<b>249,627.46</b>
144 · Allow for Uncollectible Accts.	(17,125.00)	(15,100.00)
<b>Total Accounts Receivable</b>	<b>155,382.22</b>	<b>234,527.46</b>
<b>Other Current Assets</b>		
134 · Other Special Deposits		
134.5 · Utility Deposits	300.00	300.00
<b>Total 134 · Other Special Deposits</b>	<b>300.00</b>	<b>300.00</b>
143 · Other Accounts Receivable		
143.5 · Transportation Fees Receivable	5,059.28	4,995.74
<b>Total 143 · Other Accounts Receivable</b>	<b>5,059.28</b>	<b>4,995.74</b>
146 · A/R from Associated Companies		
146.1 · A/R - LBU, LLC	406.00	406.00
146.2 · A/R - Citigas, LLC	2,119.41	2,119.41
146.3 · A/R - Forexco, Inc.	352,385.00	(3,687.50)
<b>Total 146 · A/R from Associated Companies</b>	<b>354,910.41</b>	<b>(1,162.09)</b>
<b>Total Other Current Assets</b>	<b>360,269.69</b>	<b>4,133.65</b>
<b>Total Current Assets</b>	<b>711,874.48</b>	<b>359,883.76</b>
<b>Fixed Assets</b>		
101 · Gas Plant in Service (365-399)		
367.N · Pipeline Line - Steel - N	1,053,723.97	1,053,723.97
368.N · Compressor Station & Equip. - N	134,535.18	134,535.18
369 · Prison Pipeline	364,465.83	364,465.83
376.1 · Pipeline - 1" & 2"	386,662.95	386,662.95
376.3 · Pipeline - 3"	456,479.96	456,479.96
376.4 · Pipeline - 4"	1,008,793.48	1,008,793.48
376.6 · Pipeline - 6"	492,615.37	492,615.37
377 · Compressor Station & Equipment	7,160.77	7,160.77
378.1 · Reg/Odorant Station	12,474.06	12,474.06
382 · Equipment - Meters/Setup	767,580.84	762,847.78
390 · Office Building	125,000.00	125,000.00
391.1 · Office Furniture & Equipment	11,011.80	11,011.80
391.2 · Office Software	16,801.32	16,801.32

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Accrual Basis

**Citipower, L. L. C.**  
**Balance Sheet**  
**As of March 31, 2004**

	Mar 31, 04	Dec 31, 03
392 · Automobiles/Vehicles	75,218.62	75,218.62
396 · Equipment - DW/Other	77,293.58	77,293.58
<b>Total 101 · Gas Plant in Service (365-399)</b>	<b>4,989,817.73</b>	<b>4,985,084.67</b>
108 · Accumulated Depreciation	(1,829,550.91)	(1,774,050.91)
<b>Total Fixed Assets</b>	<b>3,160,266.82</b>	<b>3,211,033.76</b>
<b>Other Assets</b>		
123 · Investment in Assoc. Companies		
123.1 · LBU, LLC investment	2,442,044.62	2,442,044.62
123.2 · Citigas, LLC investment	1,589,427.55	1,589,427.55
<b>Total 123 · Investment in Assoc. Companies</b>	<b>4,031,472.17</b>	<b>4,031,472.17</b>
<b>Total Other Assets</b>	<b>4,031,472.17</b>	<b>4,031,472.17</b>
<b>TOTAL ASSETS</b>	<b>7,903,613.47</b>	<b>7,602,389.69</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable		
232 · Accounts Payable	144,929.88	151,198.73
<b>Total Accounts Payable</b>	<b>144,929.88</b>	<b>151,198.73</b>
<b>Other Current Liabilities</b>		
231 · Notes Payable		
231.1 · Note Payable - Bank of McCreary	993,173.81	993,173.81
231.2 · Line of Credit	250,000.00	0.00
231.6 · Note Payable - LBU	245,000.00	245,000.00
<b>Total 231 · Notes Payable</b>	<b>1,488,173.81</b>	<b>1,238,173.81</b>
235 · Customer Deposits	4,650.00	6,100.00
236 · Taxes Accrued		
236.2 · Sales Tax Payable	1,243.14	2,339.02
236.3 · Severance Tax Payable	(0.01)	0.00
236.4 · School Tax Payable	3,800.87	6,804.98
<b>Total 236 · Taxes Accrued</b>	<b>5,044.00</b>	<b>9,144.00</b>
237 · Interest Accrued	5,558.00	5,558.00
242 · Misc. / Other Liabilities	227.50	227.50
<b>Total Other Current Liabilities</b>	<b>1,503,653.31</b>	<b>1,259,203.31</b>
<b>Total Current Liabilities</b>	<b>1,648,583.19</b>	<b>1,410,402.04</b>
<b>Total Liabilities</b>	<b>1,648,583.19</b>	<b>1,410,402.04</b>
<b>Equity</b>		
216 · Retained Earnings	(3,389,555.62)	(3,117,041.61)
218 · Member's Capital Contributions		
218.0 · Opening Bal Equity	63.84	0.00
218.3 · Class B - Capital Contributed	8,730,760.26	8,722,257.52
218.5 · Class C - 7% Preferred	466,574.52	466,574.52
218.7 · Class D - 7% Preferred	583,686.95	583,686.95
<b>Total 218 · Member's Capital Contributions</b>	<b>9,781,085.57</b>	<b>9,772,518.99</b>

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**Citipower, L. L. C.**  
**Balance Sheet**  
**As of March 31, 2004**

	<b>Mar 31, 04</b>	<b>Dec 31, 03</b>
<b>219 · Member's Capital Distributions</b>		
<b>219.3 · Class B - Distributions</b>	(50,000.00)	0.00
<b>219.5 · Class C - Distributions</b>	(118,283.26)	(110,118.22)
<b>219.7 · Class D - Distributions</b>	(91,072.00)	(80,857.50)
<b>Total 219 · Member's Capital Distributions</b>	(259,355.26)	(190,975.72)
<b>Net Income</b>	122,855.59	(272,514.01)
<b>Total Equity</b>	6,255,030.28	6,191,987.65
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>7,903,613.47</b>	<b>7,602,389.69</b>

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**Citipower, L. L. C.**  
**Profit & Loss**  
April through June 2004

	Apr - Jun 04
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
400 · Operating Revenues	
480 · Sales of Gas	
480.1 · Residential Sales	26,774.55
481.1 · Commercial Sales	18,304.89
481.2 · Industrial Sales	5,259.08
482.1 · Public Sales	140,522.07
<b>Total 480 · Sales of Gas</b>	<b>190,860.59</b>
<b>Total 400 · Operating Revenues</b>	<b>190,860.59</b>
414 · Other Operating Income	
488.2 · Late Charges Collected	364.35
488.3 · Hook up fees collected	(441.75)
489.2 · Other Gas Rev. -Transportation	9,318.85
<b>Total 414 · Other Operating Income</b>	<b>9,241.45</b>
<b>Total Income</b>	<b>200,102.04</b>
<b>Gross Profit</b>	<b>200,102.04</b>
<b>Expense</b>	
401 · Operation Expense	
80X · Gas Supply Expense	
801 · Natural Gas Field Purchases	86,564.52
<b>Total 80X · Gas Supply Expense</b>	<b>86,564.52</b>
85X · Transmission Expenses	
853 · Trans. Compressor Labor & Exp.	88.34
855 · Trans. Compressor Fuel & Power	
855.3 · Compressor Electricity	48.15
855.4 · Compressor Telephone	51.28
<b>Total 855 · Trans. Compressor Fuel &amp; Power</b>	<b>99.43</b>
860 · Trans. Compressor Rent	9,309.00
864 · Trans. Compressor Maintenance	4,835.03
<b>Total 85X · Transmission Expenses</b>	<b>14,331.80</b>
87X · Distribution Expenses	
872 · Compressor Labor & Expenses	183.02
874 · Maintenance of Mains	27.24
875 · Measuring & Reg. Station Exp.	
875.5 · Electricity - Prison Meter	21.93
<b>Total 875 · Measuring &amp; Reg. Station Exp.</b>	<b>21.93</b>
878 · Meter & House Regulator Expense	
878.2 · Fittings & Els, etc.	71.69
878.8 · Materials & Supplies	218.81
<b>Total 878 · Meter &amp; House Regulator Expense</b>	<b>290.50</b>
881 · Rents - Distribution Expenses	
881.1 · Rent - Schenck Compressor	3,600.00
881.4 · Rent - Shop & Storage	1,696.03
881.5 · Easements	2,400.00
<b>Total 881 · Rents - Distribution Expenses</b>	<b>7,696.03</b>
893 · Maintenance of Meters & Reg.	23.78



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**Citipower, L. L. C.**  
**Profit & Loss**  
April through June 2004

	Apr - Jun 04
894 · Maintenance of Equipment	
894.1 · Equipment Repairs	93.96
894.2 · Ditchwitch Maintenance	153.66
Total 894 · Maintenance of Equipment	247.62
Total 87X · Distribution Expenses	8,490.12
90X · Customer Accounts Expenses	
903 · Cust. Records & Collection Cost	
903.5 · Postage - Customer Billing	191.08
Total 903 · Cust. Records & Collection Cost	191.08
904 · Uncollectible Accounts	2,025.00
Total 90X · Customer Accounts Expenses	2,216.08
92X · Admin. and General Expenses	
920 · Admin & General Salaries (920)	
920.2 · Mgt. Consulting Expense	9,244.39
920.4 · Management fees	15,000.00
Total 920 · Admin & General Salaries (920)	24,244.39
921 · Office Supplies/Expense	
921.10 · Postage/FedEx (G&A)	487.16
921.11 · Meals/Entertainment	479.22
921.2 · Bank Svce Chgs (G&A)	29.66
921.29 · Uniforms	530.76
921.4 · Office Cleaning	420.00
921.5 · Telephone	2,334.31
921.6 · Computer Expense	201.40
921.7 · Utilities (G&A)	865.24
921.8 · Office Supplies & Expenses	316.46
Total 921 · Office Supplies/Expense	5,664.21
923 · Outside Services	
923.1 · Engineering Services	886.00
923.2 · Accounting Fees	7,773.07
923.3 · Contract Labor - Office	812.00
923.5 · Other-Labor	1.47
923.6 · Legal & Professional Fees	4,199.74
923.6.N · Legal & Professional Fees - N	200.00
Total 923 · Outside Services	13,872.28
926 · Employee Pension/Benefit (926)	
926.1 · Insurance - Life	103.53
926.4 · Insurance - Medical	2,110.72
926.7 · Insurance - Workmans' Comp	380.71
Total 926 · Employee Pension/Benefit (926)	2,594.96
930.1 · General Advertising Expenses	326.80
930.2 · Misc. General Expenses	
930.2.5 · Misc General Exp	(2,137.04)
Total 930.2 · Misc. General Expenses	(2,137.04)
931 · Rents (SG&A)	
931.1 · Rent - copier	473.07
931 · Rents (SG&A) - Other	432.00
Total 931 · Rents (SG&A)	905.07

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**Citipower, L. L. C.**  
**Profit & Loss**  
**April through June 2004**

	Apr - Jun 04
932 · Maintenance of General Plant	
932.2 · Repairs & Maintenance - Office	326.96
932.5 · Computer Repair & Maint	35.00
932.6 · Termite Control - Office	100.67
Total 932 · Maintenance of General Plant	462.63
Total 92X · Admin. and General Expenses	45,933.30
Total 401 · Operation Expense	157,535.82
403 · Depreciation Expense	55,500.00
408.1 · Taxes Other Than Income Taxes	
408.1.1 · Payroll Taxes	2,230.67
408.1.8 · Other Taxes & Fees	22.12
Total 408.1 · Taxes Other Than Income Taxes	2,252.79
600 · Clearing Accounts	
656 · Payroll Clearing Accounts	
656.1 · Payroll Expenses	24,600.33
656.3 · Training & Education	25.11
Total 656 · Payroll Clearing Accounts	24,625.44
667 · Transportation Expenses	
667.1 · Vehicle Expenses	1,267.54
667.3 · Vehicle Taxes	114.66
667.4 · Vehicle Repair & Maint.	839.10
667.5 · Vehicle Insurance/Title/Fees	1,071.23
Total 667 · Transportation Expenses	3,292.53
Total 600 · Clearing Accounts	27,917.97
Total Expense	243,206.58
Net Ordinary Income	(43,104.54)
Other Income/Expense	
Other Expense	
426 · Donations	30.00
431 · Other Interest Expense	
431.2 · Interest expense - customer dep	45.67
431.4 · Interest-Note Payable	11,632.38
Total 431 · Other Interest Expense	11,678.05
Total Other Expense	11,708.05
Net Other Income	(11,708.05)
Net Income	(54,812.59)

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Accrual Basis

**Citipower, L. L. C.**  
**Balance Sheet**  
As of June 30, 2004

	Jun 30, 04	Mar 31, 04
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
131 · Cash		
131.1 · McCreary - Operating A/C	122,918.85	67,730.71
131.2 · McCreary - Business A/C	866.15	2,589.07
131.5 · Centura A/C 0411790887	12,197.74	125,402.79
131.9 · Petty Cash	500.00	500.00
<b>Total 131 · Cash</b>	<b>136,482.74</b>	<b>196,222.57</b>
<b>Total Checking/Savings</b>	<b>136,482.74</b>	<b>196,222.57</b>
<b>Accounts Receivable</b>		
142 · Customer Accounts Receivable		
142.1 · A/R - Residential/Commercial	79,152.10	171,523.69
142.2 · A/R - Payment Plan	733.48	983.53
<b>Total 142 · Customer Accounts Receivable</b>	<b>79,885.58</b>	<b>172,507.22</b>
144 · Allow for Uncollectible Accts.	(19,150.00)	(17,125.00)
<b>Total Accounts Receivable</b>	<b>60,735.58</b>	<b>155,382.22</b>
<b>Other Current Assets</b>		
134 · Other Special Deposits		
134.5 · Utility Deposits	300.00	300.00
<b>Total 134 · Other Special Deposits</b>	<b>300.00</b>	<b>300.00</b>
143 · Other Accounts Receivable		
143.5 · Transportation Fees Receivable	5,597.94	5,059.28
<b>Total 143 · Other Accounts Receivable</b>	<b>5,597.94</b>	<b>5,059.28</b>
146 · A/R from Associated Companies		
146.1 · A/R - LBU, LLC	0.00	406.00
146.2 · A/R - Citigas, LLC	0.00	2,119.41
146.3 · A/R - Forexco, Inc.	551,351.41	352,385.00
<b>Total 146 · A/R from Associated Companies</b>	<b>551,351.41</b>	<b>354,910.41</b>
<b>Total Other Current Assets</b>	<b>557,249.35</b>	<b>360,269.69</b>
<b>Total Current Assets</b>	<b>754,467.67</b>	<b>711,874.48</b>
<b>Fixed Assets</b>		
101 · Gas Plant in Service (365-399)		
367.N · Pipeline Line - Steel - N	1,053,723.97	1,053,723.97
368.N · Compressor Station & Equip. - N	134,535.18	134,535.18
369 · Prison Pipeline	364,465.83	364,465.83
376.1 · Pipeline - 1" & 2"	386,662.95	386,662.95
376.3 · Pipeline - 3"	456,479.96	456,479.96
376.4 · Pipeline - 4"	1,008,793.48	1,008,793.48
376.6 · Pipeline - 6"	492,615.37	492,615.37
377 · Compressor Station & Equipment	7,160.77	7,160.77
378.1 · Reg/Odorant Station	12,474.06	12,474.06
382 · Equipment - Meters/Setup	767,580.84	767,580.84
390 · Office Building	125,000.00	125,000.00
391.1 · Office Furniture & Equipment	11,011.80	11,011.80
391.2 · Office Software	16,801.32	16,801.32

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**Citipower, L. L. C.**  
**Balance Sheet**  
As of June 30, 2004

	Jun 30, 04	Mar 31, 04
392 · Automobiles/Vehicles	75,218.62	75,218.62
396 · Equipment - DW/Other	77,985.33	77,293.58
<b>Total 101 · Gas Plant in Service (365-399)</b>	<b>4,990,509.48</b>	<b>4,989,817.73</b>
108 · Accumulated Depreciation	(1,885,050.91)	(1,829,550.91)
<b>Total Fixed Assets</b>	<b>3,105,458.57</b>	<b>3,160,266.82</b>
<b>Other Assets</b>		
123 · Investment in Assoc. Companies		
123.1 · LBU, LLC investment	2,300,636.62	2,442,044.62
123.2 · Citigas, LLC investment	1,589,427.55	1,589,427.55
<b>Total 123 · Investment in Assoc. Companies</b>	<b>3,890,064.17</b>	<b>4,031,472.17</b>
<b>Total Other Assets</b>	<b>3,890,064.17</b>	<b>4,031,472.17</b>
<b>TOTAL ASSETS</b>	<b>7,749,990.41</b>	<b>7,903,613.47</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable		
232 · Accounts Payable	68,943.36	144,929.88
<b>Total Accounts Payable</b>	<b>68,943.36</b>	<b>144,929.88</b>
<b>Other Current Liabilities</b>		
231 · Notes Payable		
231.1 · Note Payable - Bank of McCreary	993,173.81	993,173.81
231.2 · Line of Credit	250,000.00	250,000.00
231.6 · Note Payable - LBU	245,000.00	245,000.00
<b>Total 231 · Notes Payable</b>	<b>1,488,173.81</b>	<b>1,488,173.81</b>
235 · Customer Deposits	3,700.00	4,650.00
236 · Taxes Accrued		
236.2 · Sales Tax Payable	313.61	1,243.14
236.3 · Severance Tax Payable	0.00	(0.01)
236.4 · School Tax Payable	1,202.57	3,800.87
<b>Total 236 · Taxes Accrued</b>	<b>1,516.18</b>	<b>5,044.00</b>
237 · Interest Accrued	5,558.00	5,558.00
242 · Misc. / Other Liabilities	227.50	227.50
<b>Total Other Current Liabilities</b>	<b>1,499,175.49</b>	<b>1,503,653.31</b>
<b>Total Current Liabilities</b>	<b>1,568,118.85</b>	<b>1,648,583.19</b>
<b>Total Liabilities</b>	<b>1,568,118.85</b>	<b>1,648,583.19</b>
<b>Equity</b>		
216 · Retained Earnings	(3,389,555.62)	(3,389,555.62)
218 · Member's Capital Contributions		
218.0 · Opening Bal Equity	97.25	63.84
218.3 · Class B - Capital Contributed	8,730,760.26	8,730,760.26
218.5 · Class C - 7% Preferred	466,574.52	466,574.52
218.7 · Class D - 7% Preferred	583,686.95	583,686.95
<b>Total 218 · Member's Capital Contributions</b>	<b>9,781,118.98</b>	<b>9,781,085.57</b>

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**Citipower, L. L. C.**  
**Balance Sheet**  
As of June 30, 2004

	Jun 30, 04	Mar 31, 04
<b>219 · Member's Capital Distributions</b>		
219.3 · Class B - Distributions	(50,000.00)	(50,000.00)
219.5 · Class C - Distributions	(126,448.30)	(118,283.26)
219.7 · Class D - Distributions	(101,286.50)	(91,072.00)
<b>Total 219 · Member's Capital Distributions</b>	<b>(277,734.80)</b>	<b>(259,355.26)</b>
<b>Net Income</b>	<b>68,043.00</b>	<b>122,855.59</b>
<b>Total Equity</b>	<b>6,181,871.56</b>	<b>6,255,030.28</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>7,749,990.41</b>	<b>7,903,613.47</b>